

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT AND TRANSPORTATION

Call to Order: By **CHAIRMAN JOHN BRUEGGEMAN**, on February 6, 2003
at 8:05 A.M., in Room 317-B Capitol.

ROLL CALL

Members Present:

Rep. John Brueggeman, Chairman (R)
Sen. Rick Laible, Vice Chairman (R)
Sen. Gregory D. Barkus (R)
Sen. Mike Cooney (D)
Rep. Monica Lindeen (D)
Rep. John Sinrud (R)

Members Excused: None.

Members Absent: None.

Staff Present: Matt Bugni, OBPP
Amy Sassano, OBPP
Misty Shea, Committee Secretary
Lynn Zanto, Legislative Branch

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: Governor's Office, 2/6/2003
Executive Action: None

HEARING ON GOVERNOR'S OFFICE BUDGET

{Tape: 1; Side: A; Approx. Time Counter: 0 - 11}

Barbara Ranf, Governor's Office Chief of Staff, introduced herself and explained that the committee will be given an overview of office functions, a historical perspective, and a briefing on the budget reductions and their impacts. She provided handouts showing a 25-year snapshot of the Governor's Office FTE's and the preliminary Executive Budget reductions necessary to meet the FY 2000 base. For example, in 1976 the office had 133 staff, and now the request is to maintain it at 57.

EXHIBIT (jgh26a01)

EXHIBIT (jgh26a02)

An LFD sheet was also available to show the General Fund starting point and Governor's Office options for meeting their unspecified reductions.

EXHIBIT (jgh26a03)

Ms. Ranf explained that the general fund budget for the Governor's office was reduced by 11% to meet the FY2000 base target. The general fund was removed from the Montana Consensus Council that was created in 1994 by former Governor Racicot and SEN. COONEY when he was Secretary of State. General fund was also removed from the Mental Health Ombudsman, but a way to obtain federal matching funds through the Board of Visitors has been identified if they are funded. **Ms. Ranf** stated that there are proposals for reductions in the Offices of Budget and Program Planning, Economic Development, Economic Opportunity, and the Mental Disabilities Board of Visitors (reference Pages A-55-70 of the Budget Analysis book). She discussed the new proposals offered by the Governor's Office, and the base year 2000 amendment impacting the office by removal of \$2.57 million. The amount is to come out of the general fund, and she explained by going through Exhibit 2 how the office concluded where cuts could take place.

{Tape: 1; Side: A; Approx. Time Counter: 11 - 30}

Ms. Ranf stated that at this point program presentations will begin and be brief, as will proponents who speak in support. She referenced the committee to Pages A-54-59 of the Budget Analysis book and summarized what the duties of the 15 staff in the Governor's Executive Office are. She spoke in regard to the

decision packages contained within the pages and provided letters of support for executive protection from Attorney General Mike McGrath and Alaska Governor Tony Knowles.

EXHIBIT (jgh26a04)

EXHIBIT (jgh26a05)

Executive Protection Program

Ms. Ranf explained that the Executive Protection Program is managed by the Montana Highway Patrol (MPH). **Colonel Shawn Driscoll, Chief of the Highway Patrol**, spoke on behalf of the Executive Protection Program funding under contract with the Department of Justice. He outlined for the committee how the assigned officers provide assistance to the Governor, and how well trained they are. **Mr. Driscoll** introduced **Administrative Officer, Jesse Munro**, who addressed and clarified the LFD issue with the Executive Protection Program detail request (Page A-57 of the Budget Analysis book). He stated that the budget has been scaled down, and the salaries paid are through a broadband system that covers the benefits package for the MHP. He said the services provided are done so at an efficient rate with \$25,000 worth of operating expenses, mostly for travel with use of surplus vehicles.

Ms. Ranf spoke to the extradition and transportation of prisoners included in the executive budget (See Exhibit 2.) She stated that more specific information to the number of requests is available.

Office of Economic Opportunity

Chief Business Officer of Economic Opportunity, Dave Gibson, stated that the office and his position are defined in the Montana Code. He referenced MCA Section 91 and 215, and gave a mission statement from MCA 91-112.

{Tape: 1; Side: B; Approx. Time Counter: 2 - 21}

Dave Gibson, summarized the tasks in statute of the Office of Economic Opportunity down to three key things: 1) they coordinate programs and planning for the state; 2) they fill gaps by looking for what is missing in the state to help encourage economic growth and good paying jobs, and 3) they develop and promote projects of statewide significance. He gave examples of what is strategically being done to achieve these goals. He talked about the Bull Mountain Project and how it has come together, and the Malting Plant in Great Falls. He told of a workforce study that was completed to identify what prevents our state from reaching

its economic potential, and outlined what the office is doing to attract business. He stated that the office is very involved with the Jore Corporation who contracts within the state, and its \$9.5 million payroll.

Some achievements of the Office of Economic Opportunity are:
1)there is now a business-to-business website so that Montana businesses can use one another's services instead of using a national directory, and 2)a searchable properties database has been created for the purpose of showing where opportunities may be.

Mr. Gibson said that there are 358 forest product manufacturing companies in the state, and he went over the long-term plans for this industry. Four handouts accompanied Mr. Gibson's presentation. (See Exhibits 6-9.)

EXHIBIT (jgh26a06)

EXHIBIT (jgh26a07)

EXHIBIT (jgh26a08)

EXHIBIT (jgh26a09)

{Tape: 1; Side: B; Approx. Time Counter: 21 - 32}

Proponents' Testimony:

Evan Barret, representing Butte Local Development Corporation and the Montana Economic Developer's Association, attested to the importance of economic development and the critical role of Office of Economic Opportunity.

Richard Owen, Montana Grain Growers Association, strongly urged the committee to fully fund the Office of Economic Opportunity as their membership supports it.

John Youngberg, Montana Farm Bureau, spoke in support of economic opportunity in Montana and Mr. Gibson's coordinating role. He stated that it is vitally important to fund the office.

Dick King, President Missoula area Economic Development Corporation, spoke supporting the Office of Economic Opportunity.

Cary Hegreberg, Montana Contractor's Association, spoke in support of the Governor's Office of Economic Development, urging the committee to support their budget.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 9}

Tom Figarelle, representing Port of Montana, spoke in support of the Governor's Office of Economic Development and maintaining its funding.

Gary Amestoy, Richland County Economic Development Corporation, spoke to what the Office of Economic Development has done for Sidney, Montana. He urged support of their continued funding.

Webb Brown, Montana Chamber of Commerce, stated how they have been very much in support of the Office of Economic Development since before its creation. He attested to their efforts, and said he hopes a serious commitment will be made to harbor success through funding.

REP. VERONICA SMALL-EASTMAN, HD 6, agreed to the funding of the Office of Economic Development but stated that in the "Roadmap for a New Economy" document there is no mention of Native Americans. She stated that there should be a mandated order for the office to work with the tribes, and that in the State of the State Address, Governor Martz did not include Native Americans in the unemployment rate.

{Tape: 2; Side: A; Approx. Time Counter: 9 - 21}

Mental Health Ombudsman Program

Mental Health Ombudsman, Bonnie Adee, discussed the assistance to those with mental illness within the state. According to the Surgeon General, one out of five people will experience a mental disorder. Not all of them will be serviced by the public health system; predictably only 20-30% a year will. **Ms. Adee** stated the Ombudsman program is four years old, and it was created in the wake of the failed managed care contract with the intent to assist in navigating through the system. She spoke to the challenges experienced, the great need for services, and the appointment of the Ombudsman for a four-year term. She outlined the model of the Ombudsman written by their U.S. Association and the American Bar Association. Reference Pages 3-10 of Exhibit 13) She provided four handouts, including two letters of support (Exhibits 10 and 11 for an informational sheet about the Mental Health Ombudsman Office (Exhibit 12), and their annual report (Exhibit 13). She summarized the funding proposal recognized by the federal government and eligibility for matching funds (reference Exhibit 12 and Page A-59 of the Budget Analysis book). She also discussed allowable cost allocation changes that are underway and supported by DPHHS, as well as the relationship between the Mental Health Ombudsman Programs and the Mental Disabilities Board of Visitors. **Ms. Adee** then talked about

representing the interests of individuals who need public mental health services and improving access for citizens.

EXHIBIT (jgh26a10)

EXHIBIT (jgh26a11)

EXHIBIT (jgh26a12)

EXHIBIT (jgh26a13)

{Tape: 2; Side: A; Approx. Time Counter: 21 - 30}

Proponents' Testimony:

Al Davis, Montana Mental Health Association, attested to the particularly difficult time faced by the mentally ill in our state. He strongly supported the fact that we have a Mental Health Ombudsman to assist. He encouraged the committee to continue funding that office.

Montana Consensus Council

Matt McKinney, Director Montana Consensus Council, spoke about the history and purpose of the Council, and their budget. He distributed an informational handout of 11 pages (Exhibit 14) and the Report and Recommendations for the Montana State Park System (Exhibit 15).

EXHIBIT (jgh26a14)

EXHIBIT (jgh26a15)

{Tape: 2; Side: B; Approx. Time Counter: 0 - 21}

Mr. McKinney continued speaking on the problem-solving projects of the Montana Consensus Council, their expenses, revenue, and operating costs. He explained decisions made by the Board of Directors on the return on investment as a large amount is spent on legal services each year. (Reference Exhibit 14.) He addressed the LFD issue on Page A-58 of the Budget Analysis book and stated that due to the value of the Consensus Council Office, the best place for it is attached to the Governor's Office.

Proponents' Testimony:

Board Member Nelson Wert, Montana Farm Bureau, presented a packet of letters in support of the Montana Consensus Council (See Exhibit 16). He attested to the educational function of the office and its benefit to the state especially when dealing with issues of high contention such as wolf management.

EXHIBIT(jgh26a16)

Flathead Basin Commission

Mark Holsten, Public Information Officer Flathead Basin

Commission, and sole employee, spoke to the history of the Commission, its administrative involvement, and budgetary needs. He explained the Commission's creation in 1983 and the economic importance of Flathead Lake and surrounding lakes. He talked about the relationship between the Flathead Basin Commission and British Columbia, particularly regarding the protection of water quality. He stated they have local control, and their plans are approved by the EPA and DEQ. He provided Exhibits 17 and 18 for committee review of their efforts and support. He explained the process of achieving their goals and who is involved. For additional information refer to Page A-58 of the Budget Analysis book.

EXHIBIT(jgh26a17)

EXHIBIT(jgh26a18)

{Tape: 2; Side: B; Approx. Time Counter: 21 - 30}

Dave Devanpree, Chairman Flathead Basin Commission, made three quick points, he discussed how the commission looks at the big picture and manages the process, and how their funding is money well spent.

Budget and Program Planning

Kurt Nicholls, Office of the Budget and Program Planning, spoke on behalf of what their duties are and their budget management function. (Reference Page A-63 of the Budget Analysis book.)

Mansion Maintenance and Air Transportation

Ms. Ranff referenced Pages A 60-62 of the Budget Analysis book, and discussed the Mansion Maintenance and Air Transportation Programs.

Office of Coordinator of Indian Affairs

Lori Ryan, Interim Coordinator of Indian Affairs, explained the creation of this office and its important role as liaison between the Governor and Tribal Government (reference Pages A-65 and 66). She said the Office of Economic Development has been helpful to them.

Proponents' Testimony:

Fred Matt, Tribal Chairman of the Confederated Salish and Kootenai Tribes, expressed his gratitude for the Office of Indian Affairs and began reading his letter of support into the record.

EXHIBIT(jgh26a19)

{Tape: 3; Side: A; Approx. Time Counter: 0 - 6}

Fred Matt stated that the Office of Indian Affairs has come a long way and its funding should be a priority. He thanked the committee for their time and departed, leaving other letters of support.

EXHIBIT(jgh26a20)

REP. JONATHAN WINDY BOY, HD 92, spoke to the importance of the Indian Affairs division and its need for improvement that cannot come without funding.

REP. VERONICA SMALL-EASTMAN, HD 6, spoke on behalf of the Crow and Northern Cheyenne Reservation. She stated they do need the Coordinator of Indian Affairs position funded to keep the lines of communication open between the Native Americans and the Governor.

Mental Disabilities Board of Visitors

Ms. Ranf made reference to Pages A-71 and 72 of the Budget Analysis book regarding the Mental Disabilities Board of Visitors and said proponents would be speaking.

{Tape: 3; Side: A; Approx. Time Counter: 6 - 24}

Gene Haire, Executive Director, said that on behalf of the people in Montana with mental disabilities, he respectfully asks that funding be restored for the Board of Visitors. He provided an information package about the Mental Disabilities Board of Visitors and outlined its contents, noting that the back of the packet contains letters of support, one of which he read aloud.

EXHIBIT(jgh26a21)

Mr. Haire left his testimony contained in a folder with more letters of support.

EXHIBIT(jgh26a22)

Dr. Gary Mihelish, President NAMI-Montana, spoke in support of the NAMI organization and the supporting role of the Mental Disabilities Board of Visitors within it. He gave examples in recent history of the mentally ill in Montana who committed crimes as they were not being serviced. He stated, "you do not hear of those who survive and exist daily with their mental illness, as they are being treated." He asked for continued funding of the Mental Health Ombudsman and the Mental Disabilities Board of Visitors. He left his testimony on both.

EXHIBIT(jgh26a23)

EXHIBIT(jgh26a24)

Al Davis, Montana Mental Health Association, spoke supporting the Mental Disabilities Board of Visitors and attested to how institutional operations need to have oversight for their improvement.

{Tape: 3; Side: A; Approx. Time Counter: 24 - 30}

Attorney Anita Roessman, Montana Advocacy Program, spoke to the importance of the Mental Disabilities Board of Visitors program to those in need. She detailed what the Board of Visitors does, and stated her support for the Mental Health Ombudsman program under Bonnie Adee. She left her testimony.

EXHIBIT(jgh26a25)

Ms. Ranf explained the Lieutenant Governor's portion of the executive budget (Reference Pages A-67 and 68 of the Budget Analysis book), and spoke to the role of Karl Ohs; his staff and affiliations.

{Tape: 3; Side: B; Approx. Time Counter: 2 - 22}

Ms. Ranf described the function of the Citizens Advocate Office created in 1973 by Governor Tom Judge. She explained their budget (Reference Page A 69-70 of the Budget Analysis book,) use of the toll free number, and provided one letter of support.

EXHIBIT(jgh26a26)

Governor's Office FY02 Dues

A Governor's Office FY 2002 dues sheet was distributed for review.

EXHIBIT(jgh26a27)

Questions from Committee Members and Responses:

SEN. BARKUS asked **Ms. Ranf** to explain why certain programs in the Governor's Executive Budget are not under different agencies. She said that being only 14 months into her position, it is her impression that programs attached to the Governor's Office signal a high level of importance to those issues.

REP. SINRUD and **Central Services Administrator, Mary Jo Murray**, briefly discussed the subject of fees charged to other agencies by the Governor's Office.

SEN. COONEY and **Ms. Ranf** discussed the Governor's Office memberships (reference Exhibit 27). **SEN. BARKUS** made comments in regard to the amounts and **Ms. Ranf** clarified.

SEN. LAIBLE asked if the Executive Budget would reflect funding the Mental Health Ombudsman through the Mental Disabilities Board of Visitors if possible. The response was positive.

SEN. LAIBLE, Mary Jo Murray, and **SEN. BARKUS** went over the meaning of unspent budget authority which is an authorized appropriation for use of federal funds.

REP. SINRUD, and **Lynn Zanto, LFD** discussed the contracted service for executive protection.

CHAIRMAN BRUEGGEMAN stated executive action would be taken on the Governor's Office on February 10, 2003. **Lynn Zanto** updated the committee on the status of their bill request to take the Chiropractic Legal Panel off the budget as discussed on February 4, 2003.

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ADJOURNMENT

Adjournment: 11:20 A.M.

REP. JOHN BRUEGGEMAN, Chairman

MISTY SHEA, Secretary

JB/MS

EXHIBIT (jgh26aad)